



KENTUCKY EMPLOYEES' HEALTH PLAN
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FRANKFORT, KENTUCKY 40601
WWW.KEHP.KY.GOV

KEHP MEMO 18-15

To: KEHP ICs and HRGs

FROM: Department of Employee Insurance (DEI)

RE: Ongoing Dependent Eligibility Verification

DATE: September 28, 2018

The Kentucky Employees' Health Plan (KEHP) has a fiduciary and legal responsibility to all our members to ensure the health plans are covering legally eligible dependents only. During the initial audit period, there were 9,483 ineligible dependents (associated with 4,595 employees) removed from the KEHP. There were also 1,272 opt outs or voluntary removals as well. Currently, we are still in the appeals phase of the dependent eligibility audit but the official audit has ended. As appeals are approved, we continue to work daily reports to reinstate those dependents.

To date, almost 4,900 dependents have successfully appealed. While it is still too early to give a final financial result, it's estimated that the audit will result in a cost savings of more than 20 million dollars. We have an obligation to ensure ineligible dependents are not added back. So, we will continue our contractual relationship with Alight at least through 2019.

Effective December 1, 2018, Alight will assume the verification process that our internal staff have been overseeing; this will allow for more consistency and will ensure that every dependent is verified (if not previously verified during the audit). This removes a heavy workload from our staff and ICs/HRGs. It also means that dependents verified in this most recent audit won't have to be audited again. Marriage documents will be reviewed, every 2-3 years, to ensure couples are still legally married.

New dependents who are added during Open Enrollment or dependents added during Open Enrollment who were removed during the audit, will receive a request for verification from Alight in early December. If the verification is not provided, the dependent will be removed. If a dependent was previously verified, they will not receive a request.

As more information is available, we will relay that to all ICs/HRGs.